

Hello Honorable members of the Finance Revenue & Bonding Committee,

As the Deputy Assessor in the Town of Manchester, I find this bill to be an administrative burden and as such request that you do not pass it. I am opposed to GB 5047 for the following reasons:

In our office we see almost half of our business accounts having an assessment of 10,000 or less. Approximately 47% of our business tax base is single person or very small businesses, many operating out of their homes. These business owners are simply confused and confounded at the personal property declaration process. They figure themselves to have no personal property or significantly less than is "worth" reporting and sometimes get upset at the assertion that their little desk, chair, cell phone and printer would be worth taxing at all. However, upon interviewing them about their business, I find that they have substantially more tangible personal property than they realize and that it is appropriate to assess the business for these items as they indeed do meet the \$10,000 in value.

One of my concerns with the bill proposed is that many of these business owners will under report their personal property as they will not take the filing seriously. It may get them thinking that they will be exempted from the taxes anyway so why bother filing properly (or at all). Without the backup documentation provided by a completed declaration, their filing is fraught with the possibility of fraud both intended and unintended.

The current verification of the personal property owned by a business is an audit. These audits cost a municipality hundreds of dollars each and require significant time and attention. They are fraught with issues especially within such small business' as their federal tax returns do not include a complete listing of business equipment. Items that are under \$2500 might not be included within a declaration due to the recent increase in the Federal Income Tax capitalization expensed equipment threshold. Thus, it is very costly to complete such an audit process and site visits as a means of verification only to net minimal return on that time and effort.

Another concern I have is that this bill, although touted as a time saving measure, saves no time, energy or money for the municipality or the assessment staff. The businesses still need to be identified, catalogued, sent a declaration and any follow up reminders, helped with their declaration in many cases, then the declaration filed, reviewed and entered into the computer system REGARDLESS of the size of the business. Then and only then, can a determination of eligibility for this exemption be considered. It takes all this time and effort to get to \$0 in revenue. So much wasted to net nothing is not efficient use of government services and is the sort of thing that frustrates taxpayers and employees alike. No corporation would ever think to invest so much to gain nothing except frustration and ill will.

My final concern is that all businesses, large and small, receive municipal services including police, EMT & fire protection. With this proposed exemption, small businesses that receive these services are no longer being asked to pay their fair share. This unfairly shifts the burden back onto larger businesses which ultimately makes doing business in CT even more costly. As the state is not intending to reimburse towns for the lost revenue created by this bill, the towns will be forced to push property tax rates even higher which stifles economic growth in the community.

Please do not enact GB 5047 and instead discuss better, more efficient solutions to the taxation problem in our state on a long term sustainable level.

Thanks-

Angel Johnstone

Deputy Assessor

Town of Manchester